

Minutes of the Senate Local, Urban & State Affairs Committee

Tuesday, May 22, 2007

1:00 p.m.

Senate Hearing Room, Ground Floor, Boji Tower

Chairman Van Woerkom called the meeting to order at 1:09 p.m.

Members present: Senators Van Woerkom, Birkholz, Allen, Gleason, and Basham.

Senator Birkholz motioned to approve the minutes from May 1, 2007 and the motion was supported by Senator Allen. The approval of the minutes passed unanimously.

Chairman Van Woerkom invited Senator Birkholz to explain the changes made in Senate Bill 418 (reflected in S-1 418).

Senator Birkholz highlighted the changes, which included, but were not limited to:

1. Removal of the catastrophic loss fund.
2. Restrictions placed on employers moving in and out of pools.
3. Clarification of claims data

Chairman Van Woerkom called for Senate Bill 418 (S-1) before the committee. Senator Birkholz motioned with support from Senator Allen.

Chairman Van Woerkom invited Senators Birkholz, Brown, Jansen, and Kuipers to testify before the committee on Senate Bills 418-421. The Senators testifying all spoke in support of the bills. The main highlights of the testimony were that this package of bills (Senate Bills 418-421) would save money (which could then be used for essential public services) and offer more local control and stability.

Chairman Van Woerkom addressed the matter of “cherry-picking” and questioned how Senate Bills 418-421 would safeguard against this practice.

Senator Kuipers responded by stating that the S-1 of Senate Bill 418 addresses the “cherry-picking” issue by incorporating time constraints into the bill.

In response to opposition from Senators Gleason and Basham, Senator Kuipers noted that this legislation allows for data to be accessible for those who want to shop around and, most importantly, is *voluntary*.

Senator Kuipers also mentioned that the most competitive insurance rates are decided through known date and risk assessment, which is what Senate Bill S-1 418 offers.

Chairman Van Woerkom invited David Hecke (Representative of AFT Michigan), Phil Schloop (Representative of IUOE 547), and Dr. Suzanne Paranjpe (Representative of AEPC) to testify on Senate Bill 418 (S-1).

Mr. Hecke, Mr. Schloop, and Dr. Paranjpe testified in favor of the bills stating this package of legislation offers improved health coverage and better alternatives for healthcare bargaining.

Chairman Van Woerkom invited Cynthia Irwin (Representative of MESSA) to testify. Ms. Irwin stated her opposition of Senate Bill 418 (S-1) primarily because SB 418 (S-1) would destroy community ratings in healthcare coverage. In addition, Ms. Irwin stated that there were no studies to prove that this legislation would result in a savings.

Chairman Van Woerkom invited Jeff Ebihara, Clerk of Park Township, to testify before the committee.

Mr. Ebihara explained his support for Senate Bill 418 (S-1) by documenting how Park Township has experience high insurance rates with limited options.

Chairman Van Woerkom invited Allan Gold, Brian Marsella, and Deborah Lantzy-Talpos, all representatives of Aetna, to testify before the committee.

The Aetna Representatives offered their support for Senate Bill 418 (S-1). They believe data should be released since it is wanted by the client and the data are protected.

Chairman Van Woerkom invited David Stafford with the MEA, to testify before the committee.

Mr. Stafford testified in opposition to Senate Bill 418 (S-1). He stated that Senate Bill 418 (S-1) does not offer protections to existing pools and only new pools.

Chairman Van Woerkom invited Darcie Birkett, Doug Derks, and Karen McPhee, all representatives of WMHIP, to testify before the committee.

The representatives of WMHIP testified in support of Senate Bill 418 (S-1). It is their belief that having data up front would and could save money.

Chairman Van Woerkom invited Rod Green, of MASA, to testify before the committee. Mr. Green stated his support for Senate Bill 418 (S-1) and also noted that in development of “Wellness Groups,” programs would be more effective if different public health issues could be targeted. Implementing these “Wellness Groups” would result in better healthcare.

Chairman Van Woerkom invited Ken Ross and Fran Wallace, representatives of OFIS, to testify before the committee.

Mr. Ross and Ms. Wallace stated OFIS’ opposition of Senate Bill 418 (S-1) because of the time limits, letter of credit provisions, and OFIS regulated entities.

Chairman Van Woerkom invited Ken Fletcher, representative of the AFL-CIO of Michigan, to testify before the committee.

Mr. Fletcher stated AFL-CIO’s support for the package of bills, which could lead to different healthcare alternatives.

Chairman Van Woerkom invited Justin King, with the Michigan Association of School Boards, to testify before the committee.

Mr. King explained the Michigan Association of School Boards’ support for Senate Bill 418 (S-1). He also stated that the *Marketing Resource Group* conducted a poll which stated that 62 % of Michigan voters support allowing schools to form insurance pools.

Chairman Van Woerkom invited Dr. Joan Sergent, with the Tri-County Alliance for Public Education to testify before the committee.
Dr. Sergent stated that Tri-County Alliance for Public Education supports Senate Bill 418 (S-1).

Chairman Van Woerkom invited Jim Miller and Lou Guizzetti, with SET SEG, to testify before the committee.
Mr. Miller and Mr. Guizzetti explained SET SEG's support for Senate Bill 418 (S-1). They explained that Senate Bill 418 (S-1) offers accountability.

Chairman Van Woerkom invited Mike Kowall, of White Lake Township, to testify before the committee.
Mr. Kowall stated his support for Senate Bill 418 (S-1) on behalf of local governments.

Chairman Van Woerkom invited Mike Moguin, with the Municipal Retirement System, to testify before committee.
Mr. Moguin remained neutral on the Senate Bill 418 (S-1).

Chairman Van Woerkom listed those who supported the bill, but did not wish to speak:

- Matt Tomasiewicz, Ottawa, Muskegon, Kalamazoo ISDS.
- Larry Kish, Life Insurance Association of Michigan
- Ben Miller, Police Officers Association of Michigan
- David Ruland, Michigan Negotiators
- Nancy Stanley, MEMSPA
- Ellen Hoekstra, OSAS / MI-AFSA
- Nick Ciaramitaro, MI AFSCME CO 25
- Cynthia A. Paul, Service Employees International Union
- Brian Whiston, Oakland Schools
- Wendy Block, Michigan Chamber of Commerce

Chairman Van Woerkom listed those who opposed the bill, but did not wish to speak:

- Laura Appel, Michigan Health and Hospital Association

Chairman Van Woerkom called to take a vote on Senate Bill 418 (S-1). Senator Birkholz motioned with support from Senator Allen. Senate Bill 418 (S-1) passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 418 (S-1) with immediate effect. Senator Birkholz motioned with support from Senator Allen. Senate Bill 418 (S-1) with immediate effect passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 419. Senator Birkholz motioned with support from Senator Allen. Senate Bill 419 passed 3-2 with Senators

Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 419 with immediate effect. Senator Allen motioned with support from Senator Birkholz. Senate Bill 419 with immediate effect passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 420. Senator Birkholz motioned with support from Senator Allen. Senate Bill 420 passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 420 with immediate effect. Senator Allen motioned with support from Senator Birkholz. Senate Bill 420 with immediate effect passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 421. Senator Allen motioned with support from Senator Birkholz. Senate Bill 419 passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom called to take a vote on Senate Bill 421 with immediate effect. Senator Birkholz motioned with support from Senator Allen. Senate Bill 421 with immediate effect passed 3-2 with Senators Van Woerkom, Birkholz, and Allen in support and Senators Gleason and Basham in opposition.

Chairman Van Woerkom adjourned the committee at 4:39 p.m.